

## Authorized ASD Installer (AASDI™) Agreement

This Agreement ("**Agreement**") made this day \_\_\_\_\_ of \_\_\_\_\_, 202\_, by and between Automated Systems Design, Inc. ("**ASD**"), and the undersigned ("**AASDI**").

### 1. SERVICES

**1.1. Initiation of Services.** AASDI shall provide installation services related to voice, data, security, surveillance and/or audio or video networks on a project basis and provide such other services as may be agreed upon from time to time by ASD and AASDI (collectively the "**Services**") as more fully set forth in the purchase order and SOW. AASDI will not begin performance of Services until receipt of a fully executed purchase order authorizing the Services.

**1.2. Issuance and Acceptance of SOW.** If AASDI discovers any ambiguity or discrepancy in the Agreement relating to the SOW, AASDI shall promptly notify ASD of the same in writing. Any necessary changes in the Project arising from an ambiguity or discrepancy that is discovered or reasonably should have been discovered by AASDI, shall be performed at the sole cost and expense of AASDI.

**1.3. Submittals.** AASDI shall prepare and timely submit to ASD all shop drawings, product samples, test results, installer's instructions, certificates, and other submittals requested by ASD (the "**Submittals**"). ASD's review of Submittals shall be for general concept only and approval by ASD of any submittals of AASDI shall not relieve AASDI of liability for any deviations from the Agreement.

**1.4. Required Permits.** AASDI will and obtain all required approvals, permits, and licenses, necessary or required in connection with the Project. All such items must be submitted to ASD at least thirty (30) days following the execution of this Agreement. AASDI shall, at its own expense, secure and pay for all permits, fees, licenses, assessments, testing costs, royalties, taxes and any intellectual property rights licenses required for the Project.

**1.5. Responsibilities for Materials and Inspections.** AASDI shall provide, at its own expense: (a) all temporary and permanent tools, scaffolding, implements, shop and working drawings, samples, models, guarantees, licenses, unloading facilities and services necessary in the performance of the Project; (b) all tests, inspections (including, without limitation, the costs of inspections which disclose or are necessitated by, incorrect or faulty materials or workmanship), quality control measures and permits necessary for the proper performance and acceptance of the Project; and (c) and all other items necessary for the proper performance and acceptance of the Project.

**1.6. Verification of Project Conditions.** AASDI is responsible for the proper layout and location of the Project. Before proceeding with any portion of the Services, AASDI shall thoroughly and accurately: (a) observe and verify all previous and surrounding work performed by others and determine the location, condition, and correctness of same, to the extent necessary, to assure that the Services can be performed as intended; and (b) measure all field conditions relating to the Project.

**1.7. Verification of Performance Ability.** Within ten (10) days (or such other time specified by ASD) of execution of a SOW, AASDI shall furnish adequate evidence to substantiate its ability to meet the performance schedules and milestones set forth in such SOW.

**1.8. Observation of Services.** AASDI shall provide, and shall ensure that its subcontractors and suppliers provide, sufficient, safe, and proper facilities for inspection and/or observation by ASD, Client, architect or engineer of the Services.

**1.9. Superintendent.** At all times during the Project, AASDI shall furnish a competent and experienced superintendent, approved by ASD. The superintendent shall have authority to act on behalf of AASDI. AASDI shall not replace said superintendent without prior approval of ASD.

### 2. CHANGES IN PROJECT

**2.1. General.** Any changes to the Project will be performed under applicable provisions of the Contract Documents. AASDI will not accept requests for changes from Client and will advise client that all proposed changes must be accepted by the appropriate ASD representative. Unless otherwise provided for in writing by ASD, AASDI shall proceed promptly with such changes. ASD shall have no liability to AASDI for work relating to changes where such work was undertaken without written authorization from ASD.

**2.2. Field Orders.** Minor changes to the Project will be set forth in a Field Order. AASDI will promptly perform all changes set forth in Field Orders and perform such minor changes shall be performed without any adjustment of Agreement Price or time for performance. All other changes to the Project will be initiated via the process set forth in this Section 2.

**2.3. Right to Make Changes.** All other changes to the Project (each a "**Proposed Change**") will be made via a Revision or Construction Change Directive, in each case pursuant to the procedures set forth in this Section 2.

**2.4. Response to Proposed Change Request.** In connection with any Proposed Change, AASDI shall, at no additional charge, submit a revised budget and time estimate within ten (10) days (or such shorter time as may be set forth in the Proposed Change request) of AASDI's receipt of any Proposed Change request (the "**Proposed Change Response**"). Any Proposed Change Response time must include, to the extent applicable: (a) a detailed breakdown of the difference in time required, (b) the value of the work, labor, services, and materials to be altered, added, omitted or changed, and (c) where applicable, quotes from sub-contractors and suppliers. Where the initial SOW includes agreed upon unit prices all adjustments in a Proposed Change Response, whether increases or decreases, shall be made in accordance with such unit prices. Unit prices shall be deemed to include all general and administrative expenses, overhead, profit, supervision, extended performance cost factors, and all other direct and indirect expenses.

**2.5. Revisions and Construction Change Directives.** If ASD and Client agree with the adjustments set forth in the Proposed Change Response, ASD will issue a revision ("**Revision**") to AASDI. If ASD and Client do not agree with the adjustments set forth in the Proposed Change Response, ASD may issue a construction change directive (a "**Construction Change Directive**") as provided herein. The Construction Change Directive will include a proposed method to calculate the adjustment in Agreement Price and any necessary adjustments in the Project Schedule.

**2.6. Execution of Construction Change Directive.** Execution by AASDI of a Construction Change Directive indicates acceptance of the terms set forth therein and AASDI shall make no further claim for costs, time or other impacts relating to such change.

**2.7. AASDI Objection to Terms of Construction Change Directive.** If AASDI disagrees with the proposed method for adjustment in the Agreement Price and advises ASD of such disagreement in writing, the

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adjustment in Agreement Price will be determined on the basis of reasonable expenditures and savings attributable to the change, including, in case of an increase in the Agreement Price, a reasonable allowance for AASDI's overhead and profit. In such case, AASDI shall keep and present, in such form as ASD may prescribe, an itemized accounting, together with appropriate supporting data. In no event shall AASDI's labor charges for overtime work exceed the standard percentage increase paid for similar overtime work in the community in which the Project is located. "Overhead" includes full and complete compensation to AASDI for all general and administrative expenses, home overhead, field overhead, bonding and insurance costs, and supervision, and shall be an amount consistent with the Prime Contract. In no event shall overhead and profit combined exceed that provided for in the Prime Contract, or, in the absence of such provision, percent (15%) of the Cost of the adjusted work performed by AASDI's own forces or five percent (5%) of the Cost of work performed by sub-contractors.

**2.8. Cost Disputes and Progress Payments.** Notwithstanding any pending final determination of AASDI's Cost described in Section 2.7, amounts not in dispute may be included in AASDI's applications for progress payments. However, in the event the Revision or Construction Change Directive reduces the scope of the Services, ASD shall have the right to withhold from its periodic progress payments to AASDI an amount which ASD, in its reasonable judgment, determines to be the value of such work and such holdback will be subject to the terms set forth in Section 11.11.

**2.9. Dispute Resolution.** Any disputes arising out of or relating to a request for or issuance of a Revision, Construction Change Directive, or Field Order, including disputes as to adjustments to the Agreement Price or time for performance relating thereto, shall be resolved as provided in Section 12 hereof.

### **3. REPRESENTATIONS AND WARRANTIES**

**3.1. Standard of Services.** AASDI represents and warrants that the Services shall be performed in a prompt, diligent, skillful and workmanlike manner in strict accordance with the Contract Documents, performance schedules and sequencing.

**3.2. Conformance with Requirements.** In addition to all other guarantees and warranties required by law or the Contract Documents, AASDI warrants and guarantees that the Work will conform in all respects with the SOW, and that it shall provide all necessary maintenance of the SOW until final acceptance of the Project.

**3.3. Materials.** AASDI represents and warrants that: (a) the material and equipment used by AASDI are of the kind and grade necessary to meet the intent of the Contract Documents; (b) AASDI will furnish sufficient labor, materials, and equipment to assure proper performance of the Services in strict compliance with all Contract Documents, including any performance schedules therein.

**3.4. Examination of Project Site.** AASDI represents and warrants that it has fully examined the Project site and analyzed all existing surveys, test reports and schedules that could affect its performance, and acknowledges: (a) that no conditions exist which would adversely affect the progress, schedule, performance, or price of the Agreement or the quality of the Services and (b) AASDI has evaluated and satisfied itself as to the conditions and limitations under which the Services are to be performed.

**3.5. Licensure.** AASDI warrants that it is duly licensed by all applicable government authorities to perform the Services and that it

will maintain such licenses at its own expense for a minimum of one year after the date of final acceptance of the Project. AASDI agrees to ensure that all employees and sub-contractors of AASDI are legally allowed to work in the United States.

**3.6. Insurance.** AASDI represents and warrants that its insurance coverage types and amounts are adequate to protect AASDI.

**3.7. Additional Requirements.** AASDI shall abide by all Prime Contract and other legal requirements, including any requirements relating to archeological, paleontological, prehistoric and historic remains.

### **4. INSPECTIONS; NONCONFORMING SERVICES, PROJECT COMPLETION**

**4.1. Obligations for Nonconforming Services.** AASDI shall commence, within forty-eight (48) hours after notice from ASD (or immediately if directed by ASD or in emergency or critical path situations) and thereafter proceed diligently, to take down, remove, and at AASDI's sole expense, correct any designated portion of the Work which is condemned or is disapproved as not being in compliance or conformity with the requirements of the Contract Documents. Notwithstanding the foregoing, if ASD determines, in its sole discretion, to accept nonconforming work, ASD shall be entitled to an equitable credit for such nonconformity.

**4.2. Punch List Services.** AASDI shall promptly perform at its sole cost and expense any and all punch list work submitted to it by ASD. If the submitted punch list work is not performed within the time prescribed by ASD, then, in addition to its other remedies provided in the Contract Documents or available at law or in equity, ASD may complete the work and deduct the cost thereof from the Agreement Price.

**4.3. Occupation of Project.** ASD and Client shall be permitted to occupy and use any portion of the Project that has been either partially or fully completed by the AASDI, and such occupation or use will not constitute a waiver by ASD of any of its rights and remedies under the Contract Documents.

**4.4. Ongoing Corrective Obligations.** For one year after the date of final acceptance of the Project or such longer period as the Prime Contract or the law may provide, AASDI shall: (a) perform any corrective work on the Work without cost to ASD; and (b) pay for the cost of any corrective work to any adjacent work or materials damaged during or as a result of such corrective work within ten (10) days after receipt of written notice from ASD.

**4.5. Submission of Materials.** Within ten (10) days of the completion of the Services, AASDI shall submit to ASD, as-built drawings and/or record drawings of the Work, and all warranties, guarantees, and maintenance and operation manuals with respect to the Work.

### **5. COMPLIANCE WITH PROJECT SCHEDULE**

**5.1. Time is of the Essence.** Time is of the essence, and any time specified for the completion of the Services or any portion thereof is a material provision of the Agreement. This obligation will not be waived by any assent or acquiescence by ASD to any late performance of an AASDI obligation.

**5.2. Working Hours.** Except as otherwise set forth in the SOW or pursuant to Section 5.3, AASDI shall conform to ASD and Client's

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hours of work. No premium time will be acknowledged or paid without prior written authorization by ASD.

**5.3. Acceleration of Performance.** To the extent necessary and upon request by ASD, AASDI shall promptly increase its work force, accelerate its performance, work overtime, and work Saturdays, Sundays and holidays. If such request is necessary as a result of AASDI's defective or deficient work resulting in a failure or inability to maintain the current Project schedule all such actions will be taken and ASD will not owe AASDI additional compensation.

**5.4. Progress Reports and Performance Schedules.** From time to time during the performance of the Services and as requested by ASD, AASDI will provide adequate evidence to substantiate its ability to meet the performance schedules and milestones set forth in the SOW including, without limitation, periodic progress reports setting forth the status of material, equipment, manpower and submittals. If there are changes in the Project schedules, AASDI will revise its progress schedules to conform to such changes in the and submit the same to ASD for review and approval.

**5.5. No Undue Delay.** AASDI shall commence, continue, and complete the Services so as not to delay completion of the Project or any portions thereof, including, without limitation, portions to be performed by others.

**5.6. Remedies.** In the event of AASDI's failure to comply with this Section 5, then in addition to the other remedies provided herein or available at law or in equity, AASDI shall be liable for all actual damages suffered by ASD as a result of AASDI's failure to comply, including, but not limited to, loss of any "early completion" bonuses and that portion of any liquidated damages payable by ASD to Client pursuant to the Prime Contract to the extent such liquidated damages are attributable to AASDI.

### 6. COOPERATION WITH OTHERS

**6.1. AASDI shall not interfere with, fully cooperate and coordinate its work with that of ASD and any other contractor, subcontractor or supplier for the Project. AASDI and shall not interfere with ASD's relationship with its Client, other trades, contractors or suppliers.**

### 7. MATERIALS, TOOLS AND EQUIPMENT

**7.1. Responsibility for Materials, Tools and Equipment.** Whether provided by AASDI, ASD, Client or another party, AASDI is solely responsible for the receipt, delivery, unloading, storage, warehousing, protection, and quantities of any and all materials, tools or equipment used in connection with AASDI's performance of the Services. AASDI shall store all materials, tools and equipment only in the areas designated by ASD.

**7.2. Verification of Inventory.** AASDI shall, upon request, demonstrate and confirm the quantities and qualities of the materials, tools and equipment being supplied in connection with the Services.

**7.3. Risk of Loss.** The risk of loss of materials, tools and equipment shall remain with AASDI until final acceptance of the Project by Client, regardless of any payments made by ASD or other parties.

**7.4. Materials, Tools and Equipment Supplied by AASDI.** AASDI shall ensure that the materials, tools and equipment it supplies in connection with the Services have been suitably maintained and in a manner consistent with best industry practice to prohibit the growth of mold or the propagation of corrosion or rust.

**7.5. No Substitutions.** Except to the extent contemplated by the Contract Documents, no substitution shall be permitted in the Services or materials specified to be provided by AASDI without prior written approval from ASD. AASDI shall defend, indemnify and hold harmless ASD against all claims and expenses incurred by ASD as a result of any unapproved substitution.

### 7.6. Materials, Tools and Equipment Supplied by AASDI or Client.

**7.6.1. Inspection.** If ASD or Client furnishes material, tools or equipment to AASDI, AASDI shall make a thorough inspection as to the physical condition and suitability of the materials, tools, and equipment, immediately upon receipt. AASDI shall immediately notify ASD, in writing, of any defect or nonconformity in the material, tools or equipment. If AASDI fails to provide such written notice, AASDI shall be liable for all damages, and shall defend, indemnify and hold harmless ASD and Client against any claims, arising or alleged to arise out of such defect or nonconformity.

**7.6.2. Deficiencies and Replacement.** Neither ASD nor Client shall be liable for any deficiency in tools, materials or equipment received by ASD on behalf of AASDI. AASDI shall be responsible for any ASD supplied materials and shall replace any lost or misused ASD materials at AASDI's sole cost.

**7.6.3. Availability and Use.** Any tools, material or equipment of ASD which are not to be incorporated into the Work will be available to AASDI only with ASD's express written permission and in accordance with ASD's terms and conditions for such use.

**7.6.4. Operators.** If ASD allows AASDI to use any such equipment, tool or material, AASDI agrees that any provided operator provided will be the agent and servant of AASDI and AASDI shall be solely responsible for the acts and omissions of such operator. AASDI shall, immediately notify ASD in writing of any incompetence of the operator. If AASDI fails to provide such notice, AASDI shall be liable for any damages, and shall defend and indemnify ASD against any claims, arising or alleged to arise out of such defect or nonconformity in the tools, material or equipment and incompetence of the operator.

### 8. COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

**8.1. Compliance with Law.** All Services and materials to be furnished as part of the Services shall comply with all applicable federal, state, and local statutes, regulations, rules, and ordinances, including those relating to safety, hazardous waste, discrimination, immigration, fair employment, equal opportunity and worker's compensation. Without limiting the foregoing, AASDI is required to comply with the applicable requirements of Executive Order 11246, EEO and local trade practices and building codes. AASDI shall, at its own expense, correct any violations hereof, and shall defend, indemnify and hold harmless ASD against all claims and expenses relating thereto.

**8.2. Variances.** AASDI shall promptly notify ASD in writing of any discovery of any variance between the requirements of the Contract

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Documents and any applicable statutes, regulations, rules, or ordinances. In the event that AASDI discovers or reasonably should have discovered any such variance and fails to promptly notify ASD, AASDI shall, at its sole expense, make any change in the Services necessitated by failure to disclose such variance, and shall defend, indemnify and hold harmless ASD against all claims and expenses relating thereto.

**8.3. Anti-Corruption.** ASD is committed to complying with anti-corruption laws that prohibit bribes, kickbacks, or other corrupt actions to obtain or retain business or obtain any improper advantage. AASDI is expected to comply with applicable anti-corruption laws while conducting business on behalf of ASD. AASDI is prohibited from directly or indirectly receiving or offering any form of bribe, kickback, or other corrupt payment, to or from any person or organization, including government agencies or officials, private companies or employees of those private companies.

### 9. PERSONNEL, JOB SITE AND SAFETY REQUIREMENTS

**9.1. Responsibility for Safety.** AASDI shall be solely responsible for the safety of its employees, sub-contractors, suppliers, and any other person for whom AASDI is responsible, and shall maintain its work area so as to at all times provide a safe working environment. AASDI will erect and maintain suitable fences, barriers, and barricades when required for the performance of the Services. AASDI shall replace any fences, barricades and/or barriers which AASDI removes or damages in the performance of the Services.

**9.2. Safety Requirements.** AASDI is solely responsible for the conformance with all safety policies and requirements of ASD, Client and any applicable governmental authority, including OSHA.

**9.3. Discovery of Conditions.** Within forty-eight (48) hours after discovery and prior to any disturbance of the condition, AASDI represents and warrants that it shall give ASD written notice of any discovered condition adversely impacts or may adversely impact AASDI's performance of the Services, AASDI shall, at its own expense, make any change in the Services, and shall be responsible for the costs to change the subsequent work of others, or any other damages arising out of AASDI's failure to give such notice to ASD or to satisfy its obligations set forth in this Section 3.5.

**9.4. Maintenance of Work Areas.** AASDI shall continuously maintain its work areas of the Project free from all dirt, rubbish, debris, and broom clean all work areas. AASDI will ensure proper disposal of tools and materials consistent with any Contract Document requirements. If after twenty-four (24) hours' notice, AASDI fails to maintain its work area as herein required by the Contract Documents, then in addition to its other remedies provided herein or available at law or in equity, ASD may cure the deficiency and deduct the cost thereof from the Agreement Price.

**9.5. Replacement of Personnel.** AASDI shall not engage or employ any person or entity, including subcontractors or suppliers, to which ASD objects, and ASD may request removal of any person or entity. Upon such request, AASDI shall immediately remove from the job site any such person or entity.

**9.6. Attendance of Job Site Meetings.** AASDI shall attend all job site meetings as requested by ASD, including regular informational, progress, and safety meetings.

**9.7. Drugs and Alcohol.** AASDI shall ensure compliance by itself, its employees, and its subcontractors with any applicable laws or

regulations with respect to alcohol and drugs in the workplace. If requested by ASD, AASDI will adopt and implement a written mandatory drug and alcohol testing program that tests employees prior to appearing on the job site. AASDI shall be solely responsible for the consequence of any drug-related losses or expenses due to their noncompliance.

### 10. ASSIGNMENT/ SUB-CONTRACTORS/ SUPPLIERS

**10.1. Assignment by AASDI.** AASDI shall not assign or sublet its obligations to perform the Agreement, or any part thereof, without ASD's prior written consent. Any such assignment or sub-contracting without such consent shall be void. ASD's consent to any such assignment or subletting shall not in any manner relieve AASDI of its obligations to ASD under the Agreement, and AASDI shall remain fully liable for the Services, as performed by its sub-contractors, suppliers and assignees. If ASD consents to an assignment or if AASDI assigns any accounts receivable relating to the Agreement, all such assignments shall be subject to and subordinated to: (a) all labor preferences and other liabilities, actual or potential, as may be imposed on ASD due to any obligation or liability of AASDI; and (b) all payment obligations of AASDI under the Agreement. Under no circumstances shall any assignment of accounts receivable by AASDI to a third party, whether by express approval or by operation of law, have priority over AASDI's payment responsibilities to ASD, or ASD's sub-contractors, suppliers, employees, union trust funds or taxing authorities.

**10.2. Conditions Precedent to Assignment Effectiveness.** Prior to the effectiveness of an assignment permitted by ASD, the assignee must execute a written document agreeing that: (a) assignee shall have no right to payment unless and until all subcontractors, suppliers, employees, union trust funds and taxing authorities have been paid, and all claims of ASD have been satisfied; and (b) it will repay to ASD immediately upon receipt any amount received in violation of this Section 10.2, with or without demand by ASD.

**10.3. Assignment by ASD.** ASD shall have the right to assign all or any portion of its rights and interests in the Agreement, including, without limitation, to Client, Client's lenders, ASD's sureties, a joint venture or partnership in or to any entity which is affiliated with ASD. Upon the completion of such assignment by ASD, AASDI shall have all of the same duties and obligations to assignee as if assignee had been the original contracting party hereto. Upon request, AASDI shall promptly provide ASD with written confirmation of AASDI's consent to such assignment.

### 11. PAYMENTS

**11.1. Schedule of Values.** Within seven (7) days after execution of a SOW, AASDI shall prepare and submit, in a form acceptable to ASD, a schedule of values apportioned to the various divisions or phases of the Services and supported by any documents and proof required by ASD. The schedule of values will be used solely for payment purposes and will not relieve AASDI of any responsibilities under any of the Contract Documents.

**11.2. Conditions Precedent to Payment Obligations.** In no event shall AASDI be entitled to receive any payment from prior to ASD's actual receipt of that payment from Client and AASDI waives all right to commence litigation, arbitration or any other proceeding against ASD or its sureties for payment until said monies are received by ASD. AASDI acknowledges that it is relying for payment solely on Client's willingness and ability to pay for the work performed, and not on the ability of ASD or its sureties to pay for the work. AASDI expressly agrees that it retains the risk of Client's insolvency or Client's inability



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or refusal to pay for the Services, and such risk is not transferred to ASD. AASDI further acknowledges that it has had an adequate opportunity to perform its own inquiry into Client's financing for the Project and is not relying on any information from ASD. AASDI agrees that ASD's sureties are intended third-party beneficiaries of this Section 11.2.

**11.3. Progress Payments.** AASDI shall be entitled to apply for progress payments for the Services performed during the payment periods established in the Prime Contract, solely to the extent ASD is entitled to apply for progress payments from Client pursuant to the Prime Contract. In no event will AASDI be entitled to apply for progress payments more frequently than monthly. To the extent progress payments will be made pursuant to this Section 11.2, ASD shall pay AASDI seven (7) days after corresponding payment has been received by ASD.

**11.4. Monthly Progress Estimate.** AASDI must submit to ASD a monthly progress estimate and invoice, along with proper back-up in a form satisfactory to ASD at least five (5) days prior to the date ASD is required to submit its progress estimate to Client. ASD shall be entitled to adjust AASDI's monthly progress estimate to the amount which Client and/or ASD reasonably believes to be the actual amount earned by AASDI during the applicable time period, and shall only be responsible for payment to AASDI of that adjusted amount.

**11.5. Funds Held in Trust.** AASDI agrees that all funds received by AASDI in connection with the Services are to be held in trust, and AASDI agrees to be bound as a fiduciary to ASD and its suppliers, contractors and subcontractors to remit all such funds to ASD within three (3) business days.

**11.6. Lien Waivers.** As a condition precedent to any ASD payment obligation, AASDI must submit to ASD the following at least five (5) days prior to the date ASD is required to submit its progress estimate to Client: (a) a monthly progress estimate and invoice, along with proper back-up, all in a form satisfactory to ASD; and (b) executed waivers of lien rights ("**Lien Waivers**") from AASDI and its sub-contractors and suppliers in a form acceptable to Client, Client's lender and title insurer, if any.

**11.7. Audits and Inspection of Records.** ASD reserves the right to conduct an audit of AASDI's records pertaining to the Project at any time and for any reason, at ASD's expense as reasonably necessary to assure AASDI's compliance with the Contract Documents. With respect to (a) work performed by AASDI on a cost-reimbursable basis, or (b) work for which AASDI seeks additional compensation in addition to the Agreement Price, AASDI shall promptly permit ASD or its agents or representatives to inspect and copy all of AASDI's relevant documents.

**11.8. Retainage.** All progress payments will be reduced by a ten percent (10%) retainage and no progress payments to AASDI in any payment period shall exceed ninety percent (90%) of the value of AASDI's labor and materials approved and paid by Client for such Services.

**11.9. Holdbacks.** In addition to the retainage set forth in Section 11.8, ASD may withhold all or part of monthly progress payments, and/or AASDI may be backcharged, if: (a) defective Work has not been remedied; (b) ASD has a reasonable basis to believe that the Services cannot be completed within the remaining balance of the Agreement Price; (c) ASD has a reasonable basis to believe that the Services cannot be completed in accordance with the Project schedule; (d) ASD, Client, or another subcontractor or supplier have been injured or damaged by AASDI's or failure to perform the Services; (e) AASDI fails

to submit Lien Waivers as required in Section 11.6; (f) AASDI fails to provide certified payroll data when requested by ASD; (g) AASDI has failed to pay, or provide satisfactory evidence of payment to, subcontractors, suppliers, employees, laborers, union trust funds and taxing authorities; (h) or any claim or lien by any third party has been asserted or threatened with respect to the Work, including, without limitation, any Indemnified Claim or any threat thereof. This right of retention is in addition to, and is intended to complement, that set forth in Section 11 hereof.

**11.10.** and (i) AASDI is indebted to ASD pursuant to the Agreement or any other agreement between AASDI and ASD or its affiliates or subsidiaries, whether or not such other agreement is related to the Project.

**11.11. Release Date and Interest.** All retainage and holdbacks may be held by ASD until the value of the Services at issue is determined by mutual agreement or by the dispute resolution procedures provided in Section 12 hereof. Monies withheld or retained by ASD as provided in this Section 11 shall not accrue interest. Notwithstanding anything to the contrary herein, ASD shall be entitled to withhold or retain amounts sufficient to reimburse ASD for amounts owed by AASDI pursuant to the terms of the Contract Documents.

**11.12. Reduction of Retained Amounts.** ASD may elect to reduce amounts withheld or retained as provided in this Section 11 upon the latest to occur of the following: (a) Client's release of any retainage withheld with respect to the Services; (b) substantial completion of the Services; (c) the curing of all deficiencies in the Work; and (d) approval by AASDI's sureties of the reduction in retainage.

**11.13. Final Payment.** Except as provided in Section 2.8 and Section 11, final payment shall be payable to AASDI no later than thirty (30) days after final completion and acceptance of the Project by Client and receipt of final payment by ASD, subject to the provisions of Section 11.2. Prior to final payment, AASDI shall submit, on behalf of itself and its sub-contractors and suppliers, all materials required by Section 2 hereof, together with appropriate Lien Waivers, and verifying full payment of all monies due or to become due relating to the Agreement. AASDI's requisite release must constitute a full release of ASD and ASD's sureties. If AASDI intends to exclude any claims from said release, the release shall specifically detail each and every claim that AASDI asserts against ASD and its sureties, or said claims shall be deemed waived.

**11.14. Payment to Suppliers and Subcontractors.** AASDI shall make prompt payment to all persons and entities to which it becomes obligated in connection with its performance of the Agreement, including sub-contractors, suppliers, employees, union trust funds and taxing authorities. In any event AASDI agrees it will pay all amounts owing to its sub-contractors and suppliers within seven (7) days of receipt of a progress or final payment from ASD for all work performed and all materials furnished through the date of AASDI's payment request to ASD, or within the time required by applicable law, whichever is less. AASDI agrees that ASD may make payment to AASDI by check payable jointly to AASDI and its sub-contractors, suppliers, sureties, and/or governmental agencies when ASD, in its sole discretion, determines such joint payment is necessary to protect ASD or Client from claims. AASDI agrees that a default by AASDI under this Agreement shall constitute a default of any other contract between ASD and AASDI or their affiliated entities, and that a default of any such other Agreement shall constitute a default of this Agreement.

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**11.15. Removal of Mechanics' Liens.** AASDI shall, at its own expense and within ten (10) days of receiving notice of any lien or claim, take any action necessary to remove any mechanic's liens or other claims which relate or are alleged to relate to the Services that are filed against: (a) the Project or the property on which the Project is located; (b) Client or ASD; or (c) any bonds provided by Client or ASD in connection with the Project. AASDI shall further take such action, at its own expense, as may be necessary to cause Client not to withhold any monies due to ASD from Client by reason of any liens or other claims. AASDI shall defend and indemnify Client, ASD and their sureties against any claims, liens, actions and damages, including attorneys' fees arising or alleged to arise out of AASDI's failure to comply with this Paragraph.

**11.16. Payment Not Acceptance.** No payment, including final payment, shall be evidence of the performance of the Agreement by AASDI, either in whole or in part, or be construed as an acceptance of defective or incomplete work. AASDI shall remain responsible for its performance conforming to the requirements of the Contract Document notwithstanding any payments.

**11.17. Waiver of Right to Direct.** If ASD has furnished a performance and payment bond, AASDI hereby waives any right that AASDI may have to direct, request or order Client, lenders, or title insurers to withhold amounts owed to ASD to satisfy any claims of AASDI.

### 12. CLAIMS

**12.1. Initiation of Claims.** AASDI shall make no Claim or initiate any proceeding against ASD arising out of or relating to the Agreement, the performance of the Services, or otherwise relating to the Project except as specifically provided herein, and then only after all required notice and claims procedures have been strictly followed. Any Claim must be submitted in writing and AASDI shall make available for inspection to ASD or its representatives all of its files and records including its bid preparation files relevant to such Claim.

**12.2. Claims for Delay.** Should AASDI's performance, in whole or in part, be delayed, disrupted, accelerated or suspended in the commencement, prosecution or completion of the Services ("Delay"), as a result of the action or inaction of ASD or inaction of any person or entity other than Client, AASDI's sole remedy against ASD shall be a reasonable extension of the time for performance in which to complete the SOW and such remedy will be available only to the extent the Delay was not attributable to AASDI's fault or negligence. For Claims related to a Delay caused by Client's action or inaction, and solely only to the extent the Delay was not attributable to AASDI's fault or negligence, AASDI's sole remedies against ASD shall be: (a) a reasonable extension of the time for performance in which to complete the Services, provided, however that such extension will be available only to the extent that a similar extension of time has been granted to ASD by Client; and (b) to the extent that Client pays amounts to ASD as compensation for the Delay, AASDI shall receive reasonable compensation for such Delay, not to exceed the amount actually received from Client. AASDI shall only be entitled to the remedies specified in this Section 12.2 if AASDI provides ASD written notification of the Delay and cause of Delay within seventy-two (72) hours of the event causing the Delay.

**12.3. Claims by Client or Third Parties:** AASDI shall defend, indemnify and hold harmless ASD against any claim by Client or third party based upon the Services.

**12.4. Other Claims.** For Claims other than those set forth in Sections 12.2 and 12.3, claimant shall provide written notice of such Claims to the other party within sixty (60) days after the claimant knew or should have known of the facts giving rise to the Claim.

**12.5. Continuation of Services.** AASDI shall proceed with the Services and maintain its progress in all respects during the pendency of any Claim and resulting mediation, arbitration or litigation.

**12.6. Effect on Bonds and Surety.** AASDI agrees to stay any action or claim against ASD and/or its sureties arising out of or relating to the Agreement or the Services until the complete and final resolution, including appropriate appeals, of all claims in accordance with the Contract Documents, including, without limitation as set forth in Section 12 and Section 13 of this Agreement. This Section 12.6 in no way excuses or stays AASDI's obligations to file any and all notices or claims as required by statute, code, rule, regulation or bond.

**12.7. Mediation.** Prior to the commencement of arbitration or litigation, each party agrees, upon the written request of the other party, to submit the claims to a mediator and to negotiate in good faith in an attempt to reach a settlement of the claims. Mediation shall be governed by the Construction Industry Mediation Rules of the American Arbitration Association. Neither party shall proceed with arbitration nor litigation while mediation is ongoing, except as otherwise provided in Section 13.7.

### 13. ARBITRATION; GOVERNING LAW.

**13.1. Election by ASD.** If neither party requests mediation, or if mediation does not resolve the dispute, the parties may elect to arbitrate or to litigate the dispute. If arbitration is elected, AASDI hereby agrees to arbitrate the Claim and to dismiss or abate any proceeding pending in a forum other than that selected by ASD. Any arbitration proceeding shall be governed by the Construction Industry Arbitration Rules of the American Arbitration Association, as supplemented by Section 13.2 hereof. If the election to arbitrate by a party is not enforceable, then both parties shall be bound to resolve the dispute in accordance with the requirements of this Agreement.

**13.2. Discovery Rules.** Notwithstanding any provisions of law or rule of arbitration to the contrary, any party to arbitration agreed to herein may avail itself of the discovery procedures provided for in the Federal Rules of Civil Procedure.

**13.3. Arbitration Awards Final.** If arbitration is selected by ASD, the award rendered by the arbitrator(s) shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

**13.4. Application to Sureties.** AASDI agrees that ASD's sureties are intended third-party beneficiaries of this Section 13, and AASDI agrees to require its sureties and insurers to be bound by any arbitration awarded against AASDI.

**13.5. Attorneys' Fees.** The prevailing party in any arbitration or suit shall be entitled to recover from the other party and its sureties all reasonable attorneys' fees, costs, charges, expert witness fees, and expenses incurred in said proceeding.

**13.6. Governing Law.** The validity, interpretation, and performance of the Agreement shall be governed by the laws of the State of Georgia, and the parties hereby submit to the jurisdiction of that state. Any mediation, arbitration or legal proceeding permitted hereunder

## Authorized ASD Installer (AASDI™) Agreement

shall be commenced and proceed in the county in which the Project is located, unless the parties agree in writing to a different location.

**13.7. Waiver of Jury Trial.** AASDI waives its right to trial by jury in any litigation to which it is or becomes a party under the provisions of the Contract Documents.

**13.8. Flow Down of Dispute Resolution Procedures.** AASDI agrees to include the dispute resolution procedures set forth in Section 12 and Section 13 in all agreements entered into by AASDI relating to the Services.

### **14. INSURANCE**

**14.1. Minimum Coverage.** Prior to start of the Services, AASDI shall obtain, and shall maintain until two years following final acceptance of the Project by Client or such longer period as the Prime Contract may prescribe, all insurance coverage required by the Prime Contract Documents, including the Prime Contract. AASDI will maintain insurance in the amounts required in the Contract Documents, including amounts necessary to fully underwrite AASDI's defense and indemnity obligations hereunder and all insurance required by the Prime Contract. Notwithstanding the foregoing, AASDI shall procure and maintain, at its sole cost and expense, at minimum, the following insurance coverage:

**14.1.1. Worker's Compensation and Occupational Disease Coverage - Part I** - coverage conforming with the statutory requirements of the jurisdiction in which the Services are to be performed, the jurisdictions in which AASDI's employees reside, and the states in which AASDI is domiciled.

**14.1.2. Employer's Liability Insurance - Part II** - coverage with a limit of not less than the following amounts (including stopgap in "monopolistic" states): Bodily injury by accident - \$500,000 each accident bodily injury by disease - \$500,000 each employee bodily injury by disease \$500,000 aggregate policy limit

**14.1.3. Other States' Insurance - Part III** - coverage for all states other than those described in "Part I" above and other than "monopolistic" states.

**14.1.4. Comprehensive General Liability or Commercial General Liability (collectively, "CGL")** - coverage with an occurrence limit of not less than \$1,000,000 combined single limit and an aggregate limit of not less than \$2,000,000. Claims—range policy forms are not acceptable unless prior written approval is given by an authorized representative of ASD. Such coverage shall include Premises/Operations, Products/Completed Operations, Blanket Contractual (to insure defense and indemnity obligations specified herein), Broad Form Property Damage (including completed operations), Personal Injury, Blanket XCU, Incidental Malpractice, Host Liquor Liability, and Independent Contractors.

**14.1.5. Business Automobile** - coverage with an accident limit of not less than \$1,000,000 combined single limit, including Owned, Hired, and Non-Owned Autos.

**14.2. Required Endorsements.** All worker's compensation endorsements furnished by AASDI must include Alternate Employer Endorsement, naming ASD as the alternate employer (if AASDI is providing leased workers to ASD) Voluntary Worker's Compensation

Endorsement United States Longshoremen and Harbor Workers' Endorsement (if applicable) Maritime Endorsement (if applicable)

**14.3. Subcontractor Insurance.** AASDI shall require insurance with the same coverages and limits from its sub-contractors and suppliers, and their CGL policies shall be endorsed to name the same additional insureds as is required of AASDI.

**14.4. No Limitation of Obligations.** The procurement and maintenance of insurance shall not limit AASDI's obligation or liability pursuant to the Agreement or as a matter of law.

**14.5. Solvency of Carrier.** All insurance shall be maintained with insurance companies with an A.M. Best rating of A- or better that are an admitted carrier and subject to the applicable insolvency fund of the state in which the Project is located. Any exceptions to this requirement must be requested by AASDI in writing and consented to in writing by ASD at least five (5) days prior to commencement of the SOW.

**14.6. Certificates of Insurance.** AASDI shall provide ASD with Certificates of Insurance issued to ASD as the Certificate Holder, evidencing coverage currently in effect upon execution and for the period of time required in Section 14.1 at least five (5) days prior to scheduled commencement of the Services. Failure of AASDI to maintain or furnish evidence of all insurance required herein is a material breach of this Agreement and ASD, in addition to other remedies provided herein or available at law or in equity, may elect to terminate the Agreement without penalty or to obtain adequate insurance on behalf of AASDI and chargeback the expense to AASDI. ASD's election to obtain said insurance shall in no case limit ASD's other remedies nor reduce AASDI's responsibility pursuant to the Agreement.

**14.7. Additional Insureds.** AASDI's insurance policies required in Section 14.1 shall name "Automated Systems Design, Inc. and Affiliates, 775 Goddard Court, Alpharetta, Georgia 30005 as Additional Insureds" with respect to Contractor's liability arising from this Contract.

**14.8. Additional Requirements.** The following requirements shall be endorsed onto the required insurance policies: (a) thirty (30) days' prior written notice to ASD in the event of cancellation, material change, or non-renewal of the insurance; and (b) the insurance afforded to the additional insureds on AASDI's CGL policies shall be primary insurance over any other valid or collectible insurance that the additional insured may have with respect to loss under the policy, other insurance of additional insureds applicable to the loss shall be excess over AASDI's policies, and the amount of AASDI's insurance ASD's liability shall not be reduced by the existence of any other insurance.

**14.9. Waiver of Subrogation.** AASDI waives and shall require all its subcontractors to waive all subrogation rights against ASD, Client, their respective parents, affiliates and subsidiaries, employees, and agents, and all other persons or entities providing labor or material to the Project.

**14.10. Payment of Deductibles.** If AASDI and/or ASD is responsible, in whole or in part, for the insured damages, each shall pay that part of the deductible proportionate to the insured damages for which it is responsible compared to the total insured damages; provided, however, that ASD will seek contributions from other subcontractors and authorized installers. To the extent any deductible is not paid pursuant to the prior sentence, AASDI shall also pay an amount proportionate to the insured damages to the Work compared to the total insured damages to the total Contract Work.



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**14.11. Earthquake Coverage.** In the event of an earthquake that causes damage to the Work, AASDI shall be required to pay the amount necessary to restore the Work to its condition prior to the earthquake. This obligation applies whether earthquake insurance is in place, is required pursuant to the Contract Documents, or is inadequate to cover the loss.

### 15. DEFENSE AND INDEMNIFICATION

**15.1.** To the fullest extent permitted by law, AASDI shall defend, indemnify and hold harmless ASD, Client, architect, engineer, their sureties, consultants, and all persons indemnified pursuant to the Prime Contract and all other Contract Documents, and their respective parents, subsidiaries, affiliates, agents and employees of any of them (the "Indemnitees") from and against any and all claims, liabilities, liens, costs, damages, citations, penalties, fines, attorneys' fees, losses, and expenses of whatever nature (the "Indemnified Claim") arising out of or resulting from AASDI's performance of or failure to perform the Services or AASDI's obligations under the Contract Documents, including loss of use of any property resulting therefrom, regardless of whether or not the Indemnified Claim is caused in part by one or more Indemnitees. Such obligation shall not be construed to negate, abridge, or otherwise reduce other rights or obligations of indemnity which would otherwise exist as to any Indemnitee, and shall ASD and Client from any claims or damages, including court costs, expenses and attorneys' fees, related to or arising out of any allegation that AASDI infringed on any patent, violated any copyright or trademark, or engaged in theft of trade secrets.

**15.2. No Cap on Indemnification Liability.** With respect to an Indemnified Claim against an Indemnitee, by an employee of AASDI, AASDI's sub-contractors, suppliers, anyone directly or indirectly employed by them, or anyone for whose acts they may be liable, the defense and indemnification obligations under this Section 15 shall not be limited by a limitation on amount or type of damages, compensation, or benefits payable by or for AASDI or its sub-contractors or suppliers under worker's compensation acts, disability benefit acts, or other employee benefit acts unless such uncapped liability is unlawful.

**15.3. Survival of Obligations.** AASDI's defense and indemnity obligations shall survive the termination of the Agreement for any reason.

**15.4. Assumption of Defense.** With respect to any Indemnified Claim, the Indemnitee shall have the right to assume its own defense if, in Indemnitees' sole discretion, it determines that the defense being provided by AASDI is inadequate or where AASDI has a conflict of interest in defending the claim. If the Indemnitee assumes its own defense, or if the Indemnitee incurs expenses or fees in connection with a defense undertaken by AASDI, AASDI shall reimburse the Indemnitee for all attorneys' fees and other expenses related to the preparation and defense obligations to the Indemnitee, such payment to be made within ten (10) days AASDI's receipt of a statement of such fees and expenses. AASDI'S obligations to defend the Indemnitee shall be independent of and in addition to AASDI's indemnity obligations and shall apply to the fullest extent permitted by law.

### 16. INDEPENDENT CONTRACTOR; TAXES

**16.1.** AASDI will at all times and for all purposes be deemed an independent contractor and shall timely pay, or cause its sub-contractors or suppliers to pay, all taxes, tariffs, contributions, premiums, assessments, or fees imposed directly or indirectly on

account of the Services, including those payable on its employees or on its operations under worker's compensation laws, employment welfare benefit plans, gross business taxes, and sales and use taxes and any other taxes, contributions and/or premiums which may become payable by operation of law or contract, including contributions payable by the employees. AASDI shall defend and indemnify ASD against all liability, loss and expense resulting from AASDI's failure to comply with such requirements. At no time shall there be any increase in the Agreement Price on account of any such tax or charge. AASDI shall, if requested by ASD, substantiate that all taxes and other charges have been and are being paid. If any claim or demand is made against ASD for any matter enumerated herein, any payment due, or thereafter to become due, to AASDI shall be held by ASD to cover such and expenses, including reasonable attorneys' fees.

### 17. AGREEMENT DOCUMENTS

**17.1. Prime Contract and Other Contract Documents.** The Prime Contract shall be made available to AASDI upon request. AASDI binds itself to ASD and is obligated to ASD in the same manner and to the same extent that ASD is bound and obligated to Client under the Prime Contract. All rights which Client may exercise and enforce against ASD may be exercised and enforced by ASD against AASDI, including any claim for liquidated damages. AASDI shall be required to do all things and be bound by all decisions, directives, interpretations, and rulings of Client, architect, engineer, or others authorized to act on behalf of Client, including all decisions as to the scope of the SOW, to the same extent that ASD is bound thereby. In no event shall AASDI be entitled to greater rights, higher entitlements or more relief against ASD than ASD actually obtains from Client on AASDI's behalf or with respect to the Services. To the extent the Prime Contract, or the law, require the inclusion of any provision, clause or other requirement in any Contract Documents that relate to the Services, those provisions, clauses and requirements are incorporated by reference in and made a part of the Agreement as though fully set forth in the Agreement.

**17.2. Review of Contract Documents.** AASDI hereby represents and acknowledges that it has carefully reviewed and examined the Agreement and the Contract Documents and that any and all ambiguity and discrepancies have previously been clarified and/or corrected. AASDI agrees that it will not make any claim or demand upon ASD based upon or arising out of any misunderstanding or misconception of the Contract Documents or any part thereof if AASDI knew or reasonably should have known of the ambiguity or discrepancy.

### 18. TERM, DEFAULT, SUSPENSION, AND TERMINATION

**18.1. Term.** This Agreement shall terminate upon the earlier of: (a) twenty years from the date hereof; (b) the mutual written agreement of ASD and AASDI; (c) upon thirty (30) days written notice by AASDI; and (d) immediately, by ASD upon written notice by ASD to AASDI. The termination of this Agreement shall not affect the terms of any SOW entered into prior to such termination. The obligation of any party hereunder or pursuant to any Services that are not performed before the termination hereof shall survive.

**18.2. Termination for Cause.** ASD may deem AASDI to be in default and, at ASD's sole option, and without limitation on other remedies available at law or in equity, determine that AASDI is in default of its obligations under this Agreement if: (a) AASDI fails to proceed with the Services in the sequence directed by ASD; (b) fails to perform the Services diligently, including failure to provide sufficient numbers of skilled workmen or proper materials, or failure to adhere to the applicable performance schedules; (c) cause a Delay as defined in



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Section 12.2 hereof to the work of ASD or other AASDIs, sub-contractors or suppliers on the Project; (d) fail to perform any of its obligations under the SOW; (e) fail to perform the Services in accordance with the Agreement; (f) files bankruptcy, assigns assets for the benefit of creditors, becomes insolvent, or becomes unable or fail to pay its obligations as they mature; or (g) repeatedly perform the Services in a manner which is rejected by Client, architect, engineer, ASD or applicable governmental agencies (any of the foregoing, a "Default").

**18.3. ASD Remedies Upon Default.** Upon the occurrence of a Default, ASD may: (a) upon forty-eight (48) hours prior written notice of Default, and provided the Default is not fully cured within forty-eight (48) hours, cure the Default at AASDI's expense plus thirty percent (30%) for ASD's overhead and fee, and deduct the cost thereof from the Agreement Price, provided, however that in circumstances where the Default will result in a material delay of the work of other contractors, ASD may act immediately cure the default at AASDI's expense plus thirty percent (30%) for ASD's overhead and fee, and deduct the cost thereof from the Agreement Price; and/or (b) upon seventy-two (72) hours prior written notice of Default, and provided the Default is not fully cured within seventy-two (72) hours, give AASDI written notice of termination of the Agreement and/or the applicable SOW and, at ASD's option, take possession of all of AASDI's material, equipment, manuals, records, drawings, and other items intended for the performance of the Services (whether or not located on the Project site), which AASDI hereby assigns and transfers to ASD for such purpose, subject only to ASD's exercising its option pursuant to this Section 18.3 ASD shall be entitled to retain the AASDI's material, equipment, manuals, records, drawings and other items until the Work is completed, at which time, ASD shall return all equipment, material and other items that are the property of the AASDI, in each case, to the extent not incorporated into the Project and (e.g., tools and machinery).

**18.4. Effect of Termination.** In the event of termination of the Agreement and/or the SOW as provided in Section 18.3 AASDI shall receive no further payment of any unpaid portion of the Agreement Price until such time as the Project is completed, at which time AASDI will be entitled to the unpaid portion of the Agreement Price, less all costs, expenses and overhead incurred by ASD in curing said default and completing the Work as set forth in Section 18.3, plus all costs and attorneys' fees incurred in connection with the Default, the completion of the Work, and the resolution of any Claim concerning the amount owing to AASDI. If such costs and expenses exceed the unpaid portion of the Agreement Price, AASDI and its sureties shall be liable for, and shall promptly pay to ASD, such excess amount, plus all costs and expenses, including reasonable attorney's fees, incurred by ASD in obtaining such payment, and ASD shall have a lien upon AASDI's material, tools, and equipment in ASD's possession to secure payment thereof.

**18.5. Suspension of Services.** ASD may, upon forty-eight (48) hours written notice, suspend for all or any part of the Services for such period of time as may be determined to be appropriate by ASD. In the event the Services are suspended hereunder, any required adjustments to the Agreement Price or Schedule will be made pursuant to the procedures set forth in Section 2, provided that no adjustment will be made to the extent that the suspension is due in whole or in part to the fault or negligence of the AASDI.

**18.6. Termination for Convenience.** ASD may at any time, terminate the AASDI for the convenience of the ASD and without any default under the Agreement or purchase order. In the event of such a termination for convenience and notwithstanding any other provision of

the Subcontract to the contrary, provided the AASDI is not in default, the AASDI shall receive, as its entire and sole compensation, its actual, necessary, and reasonable costs of performing the Work to date of termination, as well as any loss sustained with respect to sub-subcontracts and supply contracts and such other damage as the AASDI may reasonably have sustained and proven as determined by audit of the Subcontractor's records, plus a reasonable markup for overhead and profit not to exceed fifteen percent no event shall such amounts paid or payable hereunder exceed the then current Subcontract amount, nor shall AASDI be entitled to any profit on work not performed or any other consequential damage. The AASDI shall make its records available at reasonable times and places for the ASD's audit.

**18.7. Termination Rights in the Prime Contract.** If Client has the right to suspend or terminate the Prime Contract, in whole or in part, for convenience, then ASD has the right to suspend or terminate this Agreement and any SOW upon the same terms and conditions. AASDI's rights, obligations, and remedies upon suspension or termination for convenience shall be limited to the corresponding rights, obligations, and remedies available to ASD under the Prime Contract. In the event of suspension or termination for convenience by Client of the Prime Contract, or such portion of the Prime Contract relating to the Services, ASD shall suspend or terminate the Agreement and/or the SOW for convenience, and AASDI shall not be entitled to any compensation, for such suspension or termination except to the extent and in the amount that ASD actually receives payment from Client with respect to the suspension or termination of the Services.

## 19. GENERAL

**19.1. Interpretation.** All of the provisions which comprise the Agreement shall be interpreted together and in harmony with one another. However, in case of conflict, the more stringent requirement shall control. The partial or complete invalidity of any one or more provisions of the Agreement shall not affect the validity and continuing force and effect of any other provision. No provision of the Agreement is to be construed against any party, regardless of which party was responsible for drafting it. Titles, captions or headings to any section shall not limit the full contents of same, and said section shall have full force and effect as if no titles, captions or headings existed.

**19.2. No Waiver.** The failure of either party to insist, in any one or more instances, upon the performance of any of the terms of the Agreement shall not be construed as a waiver or relinquishment of Such term as respects further performance.

**19.3. No Third Party Beneficiaries.** Except as otherwise specifically set forth herein, the Agreement is solely for the benefit of the parties hereto, and shall not confer any rights, remedies or benefits upon anyone other than the named parties hereto and their successors and assigns. In no event shall ASD incur any third party liability or responsibility by virtue of the Agreement.

**19.4. Entire Agreement.** The Agreement and any SOW entered into pursuant to this Agreement constitutes the entire agreement between the parties, and supersedes all prior negotiations, representations or agreements, oral or written. It is expressly understood and agreed that there are no agreements or promises by and between said parties, except as aforesaid, and that any additions to and changes in the Agreement shall be in writing and signed by both parties hereto, except as otherwise provided in Section 2 hereof.

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**19.5. Notices.** All written notices required or permitted hereunder shall be delivered to the address or transmitted to the facsimile number set forth on the last page of the Agreement, or such other address or number as either party may designate by like notice. AASDI shall be deemed to have received notice of a fact, request, order or demand when its Superintendent is notified, either orally or in writing, or three (3) days after written notice is sent by ASD, whichever is earlier. ASD shall be deemed to have received notice of a fact, request, or demand three (3) days after written notice is sent by AASDI.

### 20. NON COMPETE AND NON-INTERFERENCE

**20.1.** As an inducement for ASD to provide work to AASDI, AASDI hereby agrees that during the term of any Service and for a period of twenty four (24) months or, if that time period is deemed by a court to be excessive, twelve (12) months thereafter, it shall not, on its own behalf or on behalf of any other person or firm other than ASD, solicit, contact, call upon or communicate with any Service- or Project-related Client, or any representative of any such Client, unless ASD agrees otherwise in writing prior to AASDI contracting to perform such Service. For purposes of this Section 20 only, "Client" shall not include mutual, existing (at the time of AASDI contracting to perform the Service) customers of ASD and AASDI, or prospective or potential customers of AASDI or ASD, unless such customer is directly involved in any way in the Service or related Project, and as long as notice of such existing, prospective or potential customer relationship is disclosed to ASD by AASDI in writing prior to AASDI contracting to provide the Service. All communication between AASDI and such Client, architect or engineer shall be conducted through ASD. If at any time AASDI violates this Section, then AASDI shall forfeit all unpaid compensation and all other benefits which might otherwise be due from ASD, and ASD shall be entitled to seek such other remedies or recourse as may otherwise be available, including without limitation, (i) the right to recover from AASDI its lost profits resulting from such breach, or the profits obtained by such breach, plus interest thereon, (ii) reasonable attorney's fees incurred by ASD in seeking to enforce the terms of this Agreement, and (iii) the right to an injunction issued by a court of competent jurisdiction enjoining such breach. AASDI acknowledges that ASD will suffer irreparable harm as a result of any such breach and hereby waives the defense that ASD has or will have an adequate remedy at law in any action by ASD seeking injunction. AASDI shall not interfere with ASD's relationship with Client, architect or engineer. AASDI shall not enter into any other contract relating to the Project without ASD's prior written consent.

### 21. DEFINITIONS

**21.1. "Agreement Price"** means the price for the Services as set forth in the applicable purchaser order.

**21.2. "Change Order"** means a written order prepared and signed by ASD, directing a change in the SOW and stating a proposed basis for adjustment, if any, in the Agreement Price or time for performance, or both.

**21.3. "Claim"** means a demand or assertion made in writing by ASD or AASDI seeking an adjustment in the Agreement Price and/or time for performance, an adjustment or interpretation of the Agreement terms, or other relief arising under or relating to the Agreement, including the resolution of any matters in dispute between ASD and AASDI in connection with the Project.

**21.4. "Client"** means shall include, with respect to any Project for which AASDI is engaged by ASD, the client of such project, the Client's

representative with respect to such project, and any contractor by whom ASD is engaged with respect to such Project.

**21.5. "Contract Documents"** means: (a) the Agreement; (b) all modifications and revisions to the Agreement, executed by both parties; (c) the Prime Contract; (d) the SOW and all related Field Orders, Revisions and Construction Change Directives; and (e) all exhibits, schedules, appendices and addenda hereto, each of which is expressly incorporated herein by reference and made an integral part of the Agreement.

**21.6. "Cost"** means AASDI's net costs and shall be limited to the following: (a) costs of labor, including Social Security, unemployment insurance, fringe benefits required by agreement or custom, and workers' compensation insurance; (b) costs of material, supplies, and equipment, including cost of transportation, whether incorporated or consumed; (c) rental costs of machinery and equipment, exclusive of hand tools (for which overhead and profit shall be limited to five percent (5%)); and (d) costs of premiums for all bonds and insurance, permit fees, and sales, use, or similar taxes related to the SOW.

**21.7. "Field Order"** means a written order signed by ASD, directing a minor change in the SOW not involving adjustment in the Agreement Price or time for performance and not inconsistent with the Agreement.

**21.8. "Prime Contract"** means the prime contract between ASD and its Client for the projects and all addenda modifications, and revisions thereto, together with: (a) all drawings, project manuals, and specifications; (b) all general, technical, supplementary, and special conditions; and (c) all other documents listed in or referenced therein.

**21.9. "Project"** means the entirety of the building project on a job site.

**21.10. "Revision"** means a written instrument prepared by ASD and signed by ASD and AASDI, stating their agreement upon all of the following: (a) a change in the SOW; (b) the amount of the adjustment in the Agreement Price, if any; and (c) the extent of the adjustment in the time for performance, if any.

**21.11. "SOW"** means the scope of work as set forth in purchase order issued by ASD, including all incidental work usually performed under customary trade practices by the trades to be furnished by AASDI, and all changes in the SOW as described in Section 2 hereof.

**21.12. "Work"** means each and every element of the Services, including, without limitation, all materials, equipment, transportation and other items necessary to complete such activities.

## Authorized ASD Installer (AASDI™) Agreement

IN WITNESS THEREOF, this Agreement has been duly executed and delivered by AASDI and by the duly authorized officer of ASD as of the date first above written.

ASD

Automated Systems Design, Inc.

\_\_\_\_\_  
Kevin Kiziah, CEO  
1075 Windward Ridge Pkwy #180  
Alpharetta, GA 30005

AASDI

Printed Name: \_\_\_\_\_

(Authorized Officer)

Signature: \_\_\_\_\_

AASDI Name: \_\_\_\_\_

Contact Name: \_\_\_\_\_ Title: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_

ST: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-Mail: \_\_\_\_\_